



8.4.3 Information for External Providers

SUPPLIER QUALITY CLAUSES

Rev. D – 10/21/17

QUALITY REQUIREMENTS SPECIFIED IN THIS DOCUMENT ARE PART OF THE TERMS AND CONDITIONS OF THE PURCHASE ORDER. FAILURE TO COMPLY MAY RESULT IN WITHHOLDING ACCEPTANCE OF SHIPMENT

1. CONTROL OF QUALITY

The supplier is required to provide and maintain an Inspection and Quality Control System to commensurate with the complexity and reliability of the product to be supplied, and with the quality requirements of the Purchase Order. Compliance with this clause in no way relieves the seller of the responsibility to furnish acceptable supplies or services as specified on the purchase order.

2. SOURCE INSPECTION

East Side Machine Inc. and their Customers reserves the right of access to suppliers' facility or other designated facility for review of quality systems, quality records and facility and the right to inspect any or all work included in this purchase order. Quality records includes but not limited to, raw material certifications, work instructions, inspection and test data, physical/chemical test reports, assembly, manufacturing and special processes. Required documentation for shipment must be completed and signed by the supplier authorized quality personnel, and available for the East Side Machine supplier quality assurance representative. Verification by East Side Machine or its Customers, does not absolve the supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by East Side Machine Inc. or its Customers.

3. CHANGES OF CONFIGURATION AND PROCESSES

The supplier shall notify East Side Machine of any proposed changes to materials, manufacturing, fabrication methods, or processes, and obtain written approval from East Side Machine's Purchasing Department prior to implementation. Such approvals does not affect or waive applicable and/or acceptance requirements. The supplier shall immediately notify East Side Machine of changes to ownership, manufacturing or processing location. Changes in location and/or different supplier (sub-tier) for special processes are not allowed unless you have written permission from authorized personnel at East Side Machine.

4. RECORD RETENTION

The supplier shall maintain on file at the supplier's facility, quality records traceable to the conformance of product delivered to East Side Machine. The supplier shall make such records available to regulatory authorities, East Side Machine representatives and its Customers. The supplier shall retain such records for a period not less than 10 years from the date of shipment. At the expiration of the 10 years, the supplier is to contact East Side Machine for disposition of records.

5. FIRST ARTICLE INSPECTION (FAI)

A first article inspection is required only when stated on the purchase order. The supplier is required to submit the sample(s) to East Side Machine for approval. The supplier assumes full responsibility for production prior to receipt and approval of first article.

6. CERTIFICATE OF COMPLIANCE

Each shipment shall be accompanied by a signed and dated certification containing the following:

- Statement that material, processing, and finish of parts on this purchase order meet all specifications and drawing requirements
- East Side Machine part number and revision
- Signature and title of authorized company representative
- East Side Machine's purchase order number, quantity of order
- As applicable lot/batch or heat numbers, shelf /life expiration date.

7. SPECIAL PROCESS CERTIFICATION

When special process specifications are a contract and/or drawing requirement, the supplier is responsible for maintaining a system to control special processes performed at their facilities. In addition to the above, each shipment shall be accompanied by a signed certification, from the supplier (processor), indicating the special process that was performed and the specifications/standards including the revision that it was performed and compliant to. Inspection and test results are to be maintained on file and available for review. Special processes include, but are not limited to heat treating, plating, passivation, painting, welding, brazing, sandblasting, non-destructive testing processes, x-rays, liquid penetrant, magnetic particle inspection, ultrasonic and visual inspection.

8. CALIBRATION SERVICE REQUIREMENTS

Each item shall be accompanied by a signed certification of calibration stating that the item(s) have been calibrated and are traceable to ANSI/ISO/IEC 17025.

- The certification shall reference the National Institute of Standards and Technology (NIST) test number for the calibration standard(s) used, where applicable
- The certification shall reference the NIST test number and accuracy for the calibration standard(s) used, where applicable, including as-found and as-left data for the equipment being calibrated.

9. CONTROL OF INSPECTION EQUIPMENT

The supplier shall maintain a calibration system compliant with the requirements of ISO 17025 / ANSI/NCSL Z540-1 or at minimum, the inspection measuring equipment utilized must be calibrated and traceable to nationally recognized standards.

10. CONTAMINATION CONTROL

Components, product, material, or services, shall be visibly clean with the absence of all particulate visible to the normal unaided eye. Contaminated items will be cause for rejection of the items.

11. MERCURY EXCLUSION CLAUSE

Mercury contamination during the manufacturing process, test or inspections are not allowed. Items shall not come in direct contact with mercury or any of its compounds nor with any mercury containing devices employing a single boundary of containment. Mercury contamination of the items will be cause for rejection of the items.

Each shipment made against the purchase order must comply with the following:

1. The manufacturer has taken appropriate steps to ensure supplies furnished under the order contain no metallic mercury or mercury compounds
2. The dealer/distributor has taken reasonable steps to ensure that the supplies furnished under this order have not been contaminated with mercury or mercury compounds

12. CONTROL OF NONCONFORMING MATERIAL

The supplier or lower-tier suppliers are not authorized to disposition nonconforming materials, components or parts as "rework" or "use as is". For this purpose "materials" shall be defined as all material, components, parts or services provided by the supplier or lower-tier supplier which are under East Side Machine design control. Any nonconforming materials shall be segregated and withheld from shipment to East Side Machine unless negotiated in advance. When authorized to ship nonconforming material, the supplier shall insure that the nonconforming items are identified as being nonconforming on certification statement. Materials rejected by East Side Machine shall not be returned to East Side Machine without appropriate corrective action having been taken.

13. COUNTERFEIT PARTS/ITEMS

All parts/items provided shall be new and unused unless otherwise specified in writing by the supplier. The supplier shall assure that a process is in place to prevent counterfeit parts/items from being procured and shipped. Types of materials, parts, components and services known to have been misrepresented and considered counterfeit include, but are not limited to: electronic components, electrical devices, metal alloys, forgings, tubing and tubing components, structural items, solder, fluxes, adhesive, cleaning agents. In addition, falsified or forged documentation of test information reflecting legitimate manufacturers logos and information has also been identified as counterfeiting.

14. HANDLING, STORAGE, PACKAGING, PRESERVATION AND DELIVERY

Unless otherwise specified, preservation, packaging, handling and shipping of items shall be in accordance with best commercial practices to prevent damage and ensure that original quality is maintained.

15. CONFLICT MINERALS

Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo (DRC) or its surrounding countries (Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda and Zambia). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

16. REACH

The supplier agrees to:

Meet European (CE) Regulation n° 1907/2006 (REACH) regarding registration, evaluation, authorization and restriction of chemicals by:

- Ensuring that authorization for use has been granted for chemicals included in appendix XIV
- Informing if a candidate substance is in an item with a concentration above of 0.1% weight by weight
- Ensuring registration of substances used
- Informing, if concerned, if a substance included in appendix XVII (substances with restrictive uses) is included in an item.

Propose, as soon as possible, alternate solution to a substance part of the candidate's substances in order to ensure continuity of deliveries.

17. SHELF LIFE CERTIFICATION

At the point of delivery, products/materials shall have a minimum usable shelf life of 2 months, as defined by the manufacturer. Each shipment shall be accompanied by a signed and dated certification listing shelf life, cure and/or manufacture date and expiration date. Cure and / or manufacturing date shall also be physically marked on product or packaging. Marking of expiration date is the preferred method.

18. ITAR CONTROLS

International Traffic in Arms Regulations. The Supplier shall be a registered ITAR company and shall comply with ITAR policy and procedural requirements.

19. BLANKET CERTIFICATIONS

For those suppliers who have been approved for Blanket Biennial Certifications, the supplier is responsible for maintaining on file the certifications listed and have available upon request in a timely fashion. Only the certifications listed on the blanket apply, all other certifications requested via the Quality Clauses must be supplied with the shipment.

20. 100% INSPECTION REQUIREMENT

The supplier must perform 100% inspection of all items when stated on the purchase order to ensure compliance to drawing and specification requirements. Objective evidence of such inspection must be maintained on file and available for review by East Side Machine.

21. CONTROL OF NONDESTRUCTIVE TESTING (NDT)

Items requiring NDT shall be submitted, complete with drawing or document establishing NDT requirement, to a laboratory acceptable to Buyer. Test results shall be reported in writing to the Buyer, identifying the laboratory and the certified technician who performed and/or evaluated the tests, signed by a responsible laboratory representative. An adequate method of identifying and cross-referencing each x-ray film exposure, report and item must be provided. When parts are serialized, serial numbers must appear on the report and film with the control number. Each shipment must be accompanied by one legible copy of a certification signed by a responsible representative of the seller performing the NDT. When applicable, the supplier is to maintain and have available for examination, records reflecting certification of personnel, equipment and processes. Test specimens shall be provided when stated on the purchase order

22. PRODUCT FAILURE FEEDBACK

The supplier shall have a system for rapid feedback to East Side Machine of information concerning product failure of items covered by this Purchase Order, which occur during any phase of qualification and/or acceptance testing. This feedback system shall include, as a minimum, the following:

- A. Email notification to East Side Machine Purchasing or Quality Assurance within 24 hours after occurrence of failure.
- B. An outline of the failure investigation to be conducted within 5 working days of the failure.
- C. A failure analysis report which will completely describe the specific cause, the analysis method and the action taken to eliminate the cause within 30 days of the failure.

23. INSPECTION BY SAMPLING

The supplier may substitute sampling inspection in lieu of 100% inspection if inspection is performed in accordance with ANSI Z 1.4. Other inspection plans may be used with East Side Machine's approval.

24. SUB-TIER SUPPLIER FLOW DOWN

The supplier is required to flow down all East Side Machine purchase order requirements to sub-tier suppliers including but not limited to requirements contained herein, East Side Machine Terms and Conditions and any special instructions, etc.

25. LOANED INSPECTION EQUIPMENT

When standard gauging or other equipment is provided by East Side Machine for use by the supplier during the performance of this Purchase Order, the equipment is to be maintained and used in a manner to prevent damage and deterioration. A calibration frequency is provided for each individual equipment, in the event this equipment remains at the supplier's facility beyond its scheduled calibration date, the Supplier is responsible to provide for such calibration by an East Side Machine approved source or return the equipment to East Side Machine for calibration. Exceptions will be approved by an East Side Machine Quality Representative. The supplier is responsible for any repairs/replacement of loaned inspection equipment that is lost or damaged while in their possession.

26. MANUFACTURING LOT, BATCH, WORK ORDER, JOB NUMBER CONTROL

All parts on this order will be traceable to/identified with a lot number, work order number, batch number or job number. A lot, batch, work order, or job will be defined as material or parts produced by a single type, grade, class, size or composition under unchanged manufacturing conditions in accordance with the same drawing and/or specification revision unless otherwise defined in the P. O. Documentation is required with each shipment.

27. USE OF EAST SIDE MACHINE'S APPROVED SUPPLIERS

The supplier is required to use East Side Machine or Customer approved suppliers for performance of all special processes and non-destructive testing (NDT) when stated on the purchase order. The use of East Side Machine or Customer suggested approved Suppliers does not relieve the supplier of the responsibility for product and/or service quality.

28. EAST SIDE MACHINE AND/OR CUSTOMER OWNED TOOLING AND FIXTURING

Where East Side Machine, or its customer owned tooling and fixtures are used during the performance of this Purchase Order, the tooling and fixtures shall be maintained and stored in such a manner as to prevent damage and deterioration. Annual tool inspection is to be performed with records of results maintained by the Supplier. Notify East Side Machine's Purchasing Dept. should tooling require repair, rework or replacement.

29. TRACEABILITY

When parts are joined in an assembly, the supplier shall prepare an "Assembly History Log" identifying each part in the assembly. Fabricated parts shall be identified with serial number, material type, heat number, B/P and specification with applicable change letter or number.

Components in the assembly shall be traceable to records of acceptance by part number, serial number and lot number of material from which the components were fabricated by the supplier, and shall accompany the parts they represent to East Side Machine. No two parts which have the same part number shall be identified with the same serial number unless otherwise specified.

Documentation is required with each shipment.

30. KEY CHARACTERISTICS

When a Key Characteristic is identified on a print, compliance will be IAW AS9103 and this Quality Clause. Once process capability is established, recalculation should occur using the following guidelines:

1. Any change in the Key Characteristic as defined on the print
2. At the next product run if over 6 months since last run
 - A significant process change(s) has occurred such as:
 - Different/altered/repaired machine
 - Different/altered process
 - Different/altered fixtures
 - Different/altered controlling program (CNC or other)
 - Change in material (type)
 - Different measurement method
 - Change in the operator training/certification requirement

Note: The use of “trial” parts may not be utilized for calculating capability without prior approval.

31. FOREIGN OBJECT DAMAGE (FOD) PREVENTION

The Supplier shall establish and maintain an effective Foreign Object Damage (FOD) Prevention Program to reduce FOD using NAS412 as a guideline. The Supplier’s program shall utilize effective FOD prevention practices. The program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as, to the FOD generating potential of the manufacturing methods.

The written procedures or policies developed by the Supplier shall be subject to review and audit by the buyer and/or government representative and disapproval when the supplier’s procedures or policies do not accomplish their objectives.

32. STATISTICAL PROCESS CONTROL

The supplier shall submit a Process Control Plan detailing how Critical to Quality (CTQ) or key characteristics and processes will be controlled for items when stated on the purchase order. Objective evidence of compliance to the Control Plan is to be maintained on file and available for review by ESM.

33. PREFERENCE FOR DOMESTIC SPECIALTY METALS

The supplier is to comply with specification DFAR 252.225-7014, “Preference for Domestic Specialty Metals” Alternate 1

34. EAST SIDE MACHINE/ CUSTOMER/GOVERNMENT

East Side Machine/Customer/Government reserves the right of access to subcontractor’s/ supplier’s facility for review of quality systems, records and facilities. The right to inspect any or all work included in this order is also reserved. Verification by East Side Machine/Customer/Government does not absolve the subcontractor/supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by East Side Machine/Customer/Government